

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID'S LONG-TERM CONTRACTING : **DOCKET NO. 5085**
FOR RENEWABLE ENERGY RECOVERY FACTOR :

REPORT AND ORDER

On May 14, 2021, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed with the Public Utilities Commission (PUC) its Long-Term Contracting for Renewable Energy Recovery Factor (factor) for the period July 2021 through December 2021.¹ Pursuant to the provisions of Chapters 39-26.1 and 39-26.2, National Grid is permitted to recover the above-market costs and required to credit the below-market costs of certain long-term renewable energy contracts and distributed generation contracts, net of, or including proceeds from the ratepayers' share of revenue from the sale of forward capacity revenue from the applicable distributed generation contracts, plus related administrative costs. In its filing, National Grid estimated that the six-month contract cost for thirty-six renewable energy contracts, which included twenty-seven distributed generation contracts and nine non-distributed generation contracts, would be \$47,975,121.²

The market value for the energy, Renewable Energy Certificates (RECs), and capacity procured under the contracts is projected to be \$27,802,439 for the same period.³ The difference between the estimated contract costs minus the market value of the energy, RECs, and capacity is expected to be \$20,172,682.⁴ The estimated customer share of the forward capacity market revenue

¹ National Grid's Long-Term Contracting for Renewable Energy Recovery Factor Filing (May 14, 2021) (Filing); [http://www.ripuc.ri.gov/eventsactions/docket/5085-NGrid-LTC%20Recovery%20-%20July%201,%202021%20\(5-14-21\).PDF](http://www.ripuc.ri.gov/eventsactions/docket/5085-NGrid-LTC%20Recovery%20-%20July%201,%202021%20(5-14-21).PDF).

² Filing at Attach. 1, at 2.

³ Two of the projects under contract through the Long-Term Contracting Standard are expected to cost less than the projected market value of the energy for the period. Filing at Attach. 1, at 4.

⁴ *Id.* at Attach. 1, at 4.

is expected to be \$104,687 and the estimated related administrative costs are expected to be \$15,545. Netting this revenue and related administrative cost against the total above-market cost of \$20,172,682 leaves a total of \$20,083,540 for recovery from ratepayers. The rate billed to customers is calculated by dividing this net value by National Grid's forecasted kilowatt hour (kWh) deliveries for the upcoming six-month period, and adjusting for uncollectibles and the current reconciliation factor. National Grid proposed a factor of \$0.00680 per kWh.⁵ When compared to the current factor in effect of \$0.00769, this results in a net rate decrease of \$0.00089 per kWh.

On June 22, 2021, the Division of Public Utilities and Carriers (Division) filed with the PUC a memorandum summarizing the filing and recommending approval of the proposed factor for effect on July 1, 2021. Mr. Munoz indicated that the Company's calculations were correct and that the filing was in accordance with the PUC's order in Docket No. 4676, which approved the Long Term Contracting for Renewable Energy Resources Provision.⁶

At an Open Meeting on June 29, 2021, the Commission reviewed the filing and approved the factor as filed.

Accordingly, it is hereby

(24091) ORDERED:

1. The Narragansett Electric Company d/b/a National Grid's Long-Term Contracting for Renewable Energy Recovery Factor of \$0.00680 per kWh for electricity consumed on and after July 1, 2021, is hereby approved.

⁵ Filing at Attach. 1.

⁶ Mem. of Joel Munoz; <http://www.ripuc.ri.gov/eventsactions/docket/5085-Division%20Memo%206-22-2021.pdf>.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2021 PURSUANT TO
OPEN MEETING DECISION ON JUNE 29, 2021. WRITTEN ORDER ISSUED JULY 14, 2021.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairperson



Abigail Anthony,, Commissioner

*John C. Revens, Jr., Commissioner

*Commissioner Revens did not participate in the decision.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.